

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

JULY 16, 1999

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF FILING TO OFFER CONTRACT
SERVICE ARRANGEMENT (TN 98-3183-00)**

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**DOCKET NO.
98-00520**

**ORDER DENYING BELLSOUTH TARIFF SEEKING APPROVAL OF
CONTRACT SERVICE ARRANGEMENT (TN 98-3183-00)**

This matter came before the Tennessee Regulatory Authority ("Authority") on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 98-3183-00 ("CSA"). BellSouth filed Tariff No. 98-00520 on July 30, 1998, with a proposed effective date of August 31, 1998. The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on August 18, 1998. Based upon careful consideration of the tariff filing and the attachments thereto, the Authority finds and concludes the following:

1. The purpose of this CSA is to provide Primary Rate ISDN Service to the customer identified in the filing. Primary Rate ISDN Service supports the simultaneous transmission of voice, data and packet services on the same exchange access line.
2. The term of this CSA is forty-nine (49) months and it is designed to provide Primary Rate ISDN Service at an overall rate comparable to competitive alternatives.

Through this CSA, BellSouth is offering the customer a total discount of 9.9% off the general tariff rate during the term of the contract.

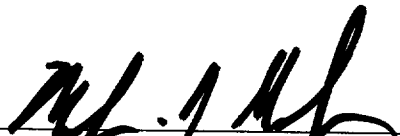
3. The CSA under review contains a termination provision that fails to describe or provide explicit language concerning the nature or amount of termination charges that would be charged to the customer if it cancels the agreement prior to the expiration of the service period. The CSA states only that in the event of such cancellation the customer shall pay "all reasonable" termination charges applicable to the minimum service period. The CSA does not set forth or explain the procedure that would be used by BellSouth to compute the customer's termination liability for canceling this CSA.

4. After reviewing the termination charge provisions contained in this CSA the Authority finds that the language therein is too vague. The language is sufficiently unclear to raise concerns regarding how the termination charges would be assessed in the event of cancellation, and once cancellation occurs, what effects these charges may have on the customer's desire or ability to select competitive alternatives in the future.

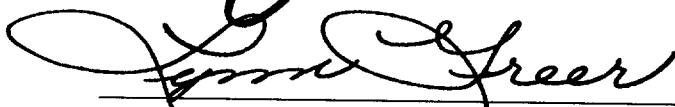
5. Upon finding the language in the termination provision too vague, the Authority determined that the CSA should be denied.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc. Tariff No. 98-00520 which seeks approval of Contract Service Arrangement No. TN 98-3183-00 is hereby denied.



Melvin J. Malone, Chairman




H. Lynn Greer, Jr., Director



Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary